
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.28.2009

Wall Street Journal: "GMAC Asks for Fresh Lifeline ... In a stark reminder of how some battered financial firms remain dependent on government lifelines, GMAC Financial Services Inc. and the Treasury Department are in advanced talks to prop up the lender with its third helping of taxpayer money, people familiar with the matter said."

Wall Street Journal: "Pay Czar Increased Base Pay at Firms ... Treasury Department pay czar Kenneth Feinberg last week announced sharp cuts in total compensation at the finance and auto companies under his control."

Wall Street Journal: "Deal Reached on Bank Crackdown ... A deal between the Treasury Department and a key House Democrat would give the government sweeping new powers to police the country's largest financial companies, including the ability to seize and break up failing companies and order large firms to shrink."

Wall Street Journal: "Three Theories on Solving the 'Too Big to Fail' Problem ... The biggest financial crisis in 70 years has bequeathed a to-do list of overwhelming length for bankers, regulators and politicians. Somewhere near the top is the "too big to fail" (TBTF) problem: The existence of financial institutions so large, so interconnected, so leveraged or so complex that the government dare not let them fail for fear of endangering the whole economy."

Wall Street Journal: "Efficient Market Theory and the Crisis ... Financial journalist and best-selling author Roger Lowenstein didn't mince words in a piece for the Washington Post this summer: "The upside of the current Great Recession is that it could drive a stake through the heart of the academic nostrum known as the efficient-market hypothesis.""

NY Times: "Bill Seeks to Shift Rescue Costs to Big Banks ... The Obama administration and the head of an important House committee unveiled legislation on Tuesday to give the government broad new powers to shift the cost of rescues of big, troubled financial institutions from taxpayers to other large companies."

NY Times: "For Geithner, the Wrinkles Aren't Just in Finance ... Unemployment is creeping. Markets are whirling. And there is still the matter of how to remake Wall Street. So when Treasury Secretary Timothy F. Geithner cozied up in a maroon leather chair at the Securities Industry and Financial Markets Association's conference on Tuesday afternoon, it seemed the first question thrown his way might pertain to the high-stakes world he inhabits.

NY Times: "Debit Card Use Helps Visa Post a Profit ... Visa posted a quarterly profit on Tuesday, reversing a year-earlier loss, as cost reductions and growing debit card use made up for a decline in payment volume reflecting consumer spending cutbacks."

LA Times: "Plan would end taxpayer bailouts for financial firms deemed 'too big to fail' ... The cost of future government rescues of huge financial institutions would be paid by their surviving rivals while the troubled firms' management would be fired, their unsecured creditors would face losses and their shareholders could be wiped out, according to a proposal released Tuesday by the Obama administration and a key House panel chairman."

The Washington Times: "Panel votes to regulate hedge funds ... The House Financial Services Committee voted on Tuesday to regulate for the first time hedge funds and other large pools of privately managed capital."

Reuters: "Treasury talks to GMAC about more cash ... The Treasury Department is in talks with GMAC Financial

Services Inc about a possible third cash infusion to the company, an Obama administration official confirmed on Tuesday night."

Investor's Business Daily: "Fannie, Freddie Mustn't Be Left Out Of Reform ... All the debate of the last several weeks on changes to the financial regulatory system has omitted any discussion over reforming the entities at the center of the housing bubble and financial meltdown: Fannie Mae and Freddie Mac."

Politico: "Morning Money ... Geithner sees banks repaying TARP 'relatively quickly' -- Dimon says he won't try to pick off execs currently operating under Feinberg's restrictions -- Feinberg on Hill today"

The Hill: "Unions head to Chicago, protest banks ... Unions converged on Chicago on Tuesday to protest lobbying by major banks against proposed reforms of the financial system."

The Hill: "Barney Frank eyes new government powers to end 'too big to fail' ... Rep. Barney Frank (D-Mass.), chairman of the House Financial Services Committee, circulated legislation on Tuesday that aims to prevent future bailouts by giving the federal government new powers to deal with failing financial firms."